

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1549-01
Bill No.: HB 591
Subject: Division of Aging to create and distribute comprehensive listing of companies and organizations providing services for older adults.
Type: Original
Date: February 16, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0 to (\$15,083)	\$0 to (\$263,271)	\$0 to (\$271,042)
Total Estimated Net Effect on <u>All</u> State Funds	\$0 to (\$15,083)	\$0 to (\$263,271)	\$0 to (\$271,042)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Revenues and expenditures to exceed \$206,000 annually and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health (DOH)** stated the proposed legislation would not be expected to significantly impact the operations of the DOH. If the proposal were to substantially impact the DOH programs, then the DOH would request funding through the appropriations process.

Officials from the **Department of Social Services - Division of Aging (DA)** stated that under the proposed legislation, the DA is required to distribute a comprehensive publication encompassing the MO Guide For Seniors, the Long-Term Care Facility Directory, and additionally, all companies, organizations, and facilities in the state providing services for older adults who wish to be listed, and including information about where to obtain inspection and survey information, current licensure status and other quality related information categorized by both services and location.

Currently, the DA has no appropriation specifically designated for the MO Guide For Seniors. During FY 99, the DA utilized existing EE funds to print only a limited supply (35,000 copies) of the eighty-eight (88) page MO Guide For Seniors at \$0.75 each for a total of \$26,250. The new publication, which is to include a listing of all public or private companies or organizations providing services for older adults, will be a substantially larger publication than the current Senior Guide. The DA assumes that the majority of those providing services to older adults will wish to be listed, including long-term care facilities, in-home services providers, home health agencies, adult day care programs, senior centers, hospices, hospitals, durable medical equipment providers, pharmaceutical companies, and insurance companies. Based on information obtained from the Division of Tourism about their official travel guide, the DA anticipates that the new publication will be about 350 pages; we anticipate more listings than the travel guide and in consideration of the targeted audience for the guide, we will use a larger type font. The DA will contract for the typesetting, solicitation of advertising and collection of payment for ads, printing, development of a mailing list and mailing of the guide. We estimate printing 500,000 copies of the guide annually, with the first printing in FY 03; in FY 02, the DA will develop the request for proposal evaluate the responses and award the contract.

The DA will need on (1) Public Information Specialist II position to assist in developing the request for proposal (RFP) for the contract, assist in evaluating bids, review and approve the style and content, and maintain contact with the printing contractor to assure quality control. This position will also develop, prepare, and provide copy to the contractor advising consumers how to obtain information regarding the quality of services offered by providers and how to access updated information through our Internet Web Site.

ASSUMPTION (continued)

The DA estimates that the cost per copy of the guide will be \$3.00 for a total cost for printing 500,000 copies of \$1,500,000. Based on information from the Division of Tourism, we anticipate that advertising would cover approximately 75% of the total cost, for a net cost to the DA of \$375,000. The division has no method of directly collecting money from providers for advertising in the guide, therefore, it is assumed that the printing contractor will also solicit advertising and the money collected for ads will be applied to reduce the final contract cost to the DA. The division does not have funds appropriated for printing the senior guide; therefore, no funds are shown as applied to the cost of the publication. The DA has been financing the cost of printing a limited number of copies of the senior guide from various state appropriations and from grants in the previous years. Additionally, the DA will also incur costs for direct mailing of approximately 37,500 copies of the guide annually at an estimated cost of \$0.87 per guide for total mailing costs of \$32,625.

Based on previous experience, the following amounts represent the average annual expense of an FTE:

- Rent (Statewide Average) - \$2,700 per FTE (\$13.50 per sq. ft. x 200 sq. ft.)
- Utilities - \$320 per FTE (\$1.60 per sq. ft. x 200 sq. ft.)
- Janitorial/Trash - \$200 per FTE (\$1.00 per sq. ft. x 200 sq. ft.)
- Other Expenses (Home & Community Services) - \$3,906 per FTE (includes travel, office supplies, professional development, telephone charges, postage and all other expenses not itemized above.)
- Other Expenses (Institutional Services) - \$5,248 per FTE (includes travel, office supplies, professional development, telephone charges, postage and all other expenses not itemized above.)

In addition to the above standard costs, systems furniture for the Public Information Specialist in the Jefferson City central office will be needed at a cost of \$4,500 per FTE. The DA states that a desktop PC at a cost of \$4,500, publishing software at a cost of \$700, and a color laser printer at a cost of \$4,000 will also be needed.

The DA officials state the FY 02 costs are based on the 3 month period April 1 through June 30, 2002. The FY 03 and FY 04 costs include a 3.0% inflation adjustment for expense and equipment costs and a 2.5% inflation adjustment for personal services.

Oversight assumes the proposed legislation intends for the DA to develop and distribute the guide for older adults within the budget of advertising revenues received from the companies and organizations placing ads in the publication. As a result, Oversight has ranged the anticipated costs from \$0 to the costs proposed by the DA.

FISCAL IMPACT - State Government

FY 2002
(3 Mo.)

FY 2003

FY 2004

<u>FISCAL IMPACT - State Government</u>	FY 2002 (3 Mo.)	FY 2003	FY 2004
GENERAL REVENUE			
<u>Income - Department of Social Services</u>			
Advertising Income	Unknown	Unknown	Unknown
<u>Costs - Department of Social Services - Division of Aging</u>			
Personal Service (0.56 FTE)	(\$4,591)	(\$18,823)	(\$19,293)
Fringe Benefits	(\$1,530)	(\$6,274)	(\$6,430)
Equipment and Expense	(\$8,962)	(\$3,056)	(\$3,147)
Printing and Mailing Expense	<u>\$0</u>	<u>(\$235,118)</u>	<u>(\$242,172)</u>
Total <u>Costs</u> - Division of Aging	<u>(\$15,083)</u>	<u>(\$263,271)</u>	<u>(\$271,042)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 to</u> <u>(\$15,083)</u>	<u>\$0 to</u> <u>(\$263,271)</u>	<u>\$0 to</u> <u>(\$271,042)</u>
FEDERAL FUNDS			
<u>Income - Department of Social Services</u>			
Federal Match on Expenditures	\$11,867	\$206,915	\$213,026
<u>Costs - Department of Social Services - Division of Aging</u>			
Personal Service (0.44 FTE)	(\$3,607)	(\$14,789)	(\$15,159)
Fringe Benefits	(\$1,202)	(\$4,929)	(\$5,053)
Equipment and Expense	(\$7,058)	(\$2,461)	(\$2,536)
Printing and Mailing Expense	<u>\$0</u>	<u>(\$184,736)</u>	<u>(\$190,278)</u>
Total <u>Costs</u> - Division of Aging	<u>(\$11,867)</u>	<u>(\$206,915)</u>	<u>(\$213,026)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation mandates that the Division of Aging will create and distribute a publication that provides a listing of all public and private companies or organization providing services for older adults, including but not limited to adult day care, respite care, in-home care services, services provided by the area agency on aging and long-term care facilities operating in the state of Missouri. The publication is to list the companies, organizations, and facilities by category and region of the state, include the services available through each company, information on where consumers can obtain inspection and survey information on the listed companies, licensure status, and any other information regarding the quality of services offered by providers of senior services.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Department of Health



Jeanne Jarrett, CPA
Director

February 16, 2001